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CENTRAL INTELLIGENCE AGENCY REPORT NO. [redacted]

INFORMATION REPORT

CD NO.

COUNTRY Germany (Russian Zone)

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SUBJECT The SAG "Kaustik" in Bitterfeld

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SUPPLEMENT TO REPORT NO.

[redacted]

1. General Information:

(a) The Kaustik Electro-Chemical combine, the former IG Farben plant in South Bitterfeld (.. 52/E 14) had an estimated value of two billion marks before dismantling started. After dismantling a commission gave an appraised value of 120 million marks. A "correction" reduced the value to 95 million marks. Another examination made by experts and committees of the provincial government fixed the value of the plant at 80 million marks. The plant was then "transferred" to the Soviet Union at this price. The entire real estate is included in this sum but not the workers' housing. If there was a possibility to produce with the remaining plant installations the plant management was to pay an annual lease of 11 million marks.

b. Construction of new installations and expansion of installations:

(1) Projected new installations:

(a) Synthetic gem production

(b) "pneu" production (tire ? production) (artificial material)

(c) Phosphor tubules

(2) Constructed plant expansions:

Installations for the production of soup seasonings and "peptonisat" (non-rationed foodstuff).

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c. Bottleneck materials:

The operation is especially hampered by the shortage of steel products (screws, metal sheets, pipes, nails) of rubber tires for cars and buses and spare parts for vehicles. There is an occasional lack of chemicals. The plant is also short of heavy machines for which single parts are manufactured in the Western Zones. The same applies to technical apparatus. Welding steel and iron castings are especially lacking. The firm Kustius & Kleinert*at 90 Westfaelischestrasse in Berlin-Wilmersdorf (X 53/4 74), received chemicals and Igelit products for bartering or purchasing needed supplies in the Western Zones.

* Source said the firm could also be Kurzius & Kleinert. However, a firm of this designation is not known. The Westfaelischestrasse leads from Halensee to Wilmersdorf.

2. Production and Plant Products of the Kaustik Combine.

Value of scheduled 1947 production: RM 160 million
Value of actual 1947 production: RM 120 million
Value of scheduled 1949 production: RM 120 million (increased to DM 150 million)

a. Chemical products, etc.

(1)	Caustic soda	about 800 tons monthly
(2)	Caustic potash	about 70 tons monthly
(3)	Graphite electrodes	about 200 tons monthly
(4)	Synthetic gems	amount uncertain
(5)	Siliron (washing agent)	about 200 tons monthly
(6)	Calcium	(Not to be mentioned in public. The production amount must be kept secret. About 70 baths are in operation and probably yield 15 to 20 tons of pure calcium distillate i.e. about 800 tons monthly).
(7)	Calcium ammonium nitrate	about 800 tons monthly. (Whether production will be increased depends on the Leuna plant.)
(8)	Oxalic acid	
(9)	Hydrochloric acid	
(10)	Graphite	

b. Plastics (Igelit)

The softening agent tricresyl phosphate used in the manufacture of Igelit is very poisonous. Wearing of Igelit shoes is therefore dangerous to health.

(1) Shoes about 35,000 pairs monthly
(2) Boots about 3,000 pairs monthly
(3) Material for table covers, overcoats, packings, strings and tubes about 700 tons monthly
(4) Plates, foils, washing basins, Igelit bags and bread boxes, tubes, lamp screens and special hard material products

(5) 'Igedur' apparatus

(6) Plastic cement and impregnating material

c. Light metal products (mainly made of airplane scrap)

Pots, lamp stands, beds, two-wheeled carts, tubes, combs, tobacco pipes, razor blade cases, buttons, writing pens.

d. Electro material.

Permanganate, benzol chloride, carbon tetrachloride, sulphide of carbon, tricresyl phosphate, bichromate, 'magnetid' electrodes, chromic alum, chlorates, pure-steel aluminum, iron paints.

e. Insecticides

'Besarol' ('Besarol'?), 'Caratex' and 'Perdikoflim'.

3. Management of the Combine

a. Soviet General management:

(1) Dr. Baltayev, General manager, Soviet, staunch bolshevist, unsocial. By his exploitation methods he became the only general manager of the Soviet Corporation plants who received a decoration.

(2) Promortsev, deputy of (1), Soviet

(3) Davorkov, commercial manager, Soviet

(4) Starostin, chief engineer, Soviet, moderately qualified engineer, he was political commissar before he took his present post.

(5) Dudek, Soviet. In charge of social questions. He meddles in all affairs of the plant. He also influences political matters and affairs concerning premiums and tariff as well as problems relating to the work force including dismissals and the employment of new personnel.

b. German management:

(1) Dr. Beck, chief manager, German, SED member. Formerly a leading official of military economics he was denazified by the

SED as he was urgently required by the Soviets. He is not a Marxist. He applied for membership in the SPD (Social Democratic Party). He would have been dropped long ago due to his open criticism of SED shortcomings, if he were not urgently needed.

(2) Dr. Hornke, technical manager, German, SED member, aged 40, his SED membership is only his means to reach his objectives. He is frequently involved in quarrels. Only retained because of his efficiency. He restrains himself because of great advantages granted to him by the Soviets.

(3) Dr. Wahlow, commercial manager, German, SED member, lawyer, formerly chief burgomaster of Quedlinburg (M 52/ D 35). He was appointed by the SED Party and is strongly favored by it. Marxist.

(4) Roecke, chief engineer, German, not an SED member.

(5) Schuchardt, personnel manager, German, SED member. Formerly he was burgomaster of Quedlinburg. He behaves as a confirmed SED member. Influenced by party policy in his decisions as personnel manager. He was a Marxist before 1933. In 1945 he was employed as SED indoctrination officer. Seems to be objectionable because of some activity during the Nazi regime. This led to attacks against him by county and provincial agencies.

(6) Dr. Roggendorf, German, manager of the power station, not an SED member.

(7) Dr. Meyer, German, chief of the research work, SED member.

4. Work Force of the Combine:

The work force numbers 11,000 workers including 2,600 women, about 400 workers live in Bitterfeld, all others commute. Seven hundred workers are resettlers. About 1,500 men are lent by small and special firms as outside workmen and employed in the plant. They are paid by the plant and also benefit by the social welfare of the plant.

25X1A6a [redacted] Comment:

a. The former IG Farben Plant, now assigned to the Kaustik Soviet Corporation in Bitterfeld, consists of two main plants, the North Plant and the South Plant. The North Plant mostly produces pure calcium, indispensable for the reduction of uranium oxide since coke cannot be used for this purpose. This fact may also be the reason why this production may not be discussed in public (see para 2a, (6)). While the monthly production of pure calcium was about 35 tons in 1947 it has increased to 800 tons according to this report. Production probably increased because the plant management succeeded in procuring the needed number of special pumps. The production of pure calcium is supervised by the Soviet Lt Col Protsenko. Siliron (see para 2a (5) and Ger. iron are also produced in the North Plant.

b. Plastics, acids and nitrogen compounds are produced in the South plant.

c. There is also a research and test department in the plant designated physical-Technical Office No 10 of the Ministry for Nonferrous Metals of the Soviet Union. The main task of this institute is to work out treatises on the production of light metals and light metal alloys based on previous experience of the Bitterfeld Plant. Thus, a manual was compiled on all problems relating to magnesium and its alloys, as well as a manual concerning 'HY 43', an alloy made of aluminum, magnesium and zinc used in the German aircraft industry in 1943/1944. Writings on aluminum and its alloys as well as on tungsten were also reported.

d. A production report made at the end of December 1947 lists the following production for that month:

Caustic soda (lye 100 percent)	30,000 tons	
Caustic soda solid	3,000 tons	
Boric acid	1 ton	
Barium chlorate	4 tons	
Fluoride of calcium	40 tons	(only as reparations)
Oxide of calcium (99.9 percent)	30 tons	" " "
Chloride of lime	80 tons	
Chromic alum	120 tons	(only as reparations)
Graphite electrodes	200 tons	
Chlorate of potassium	500 tons	
Potassium bichromate	75 tons	(50 percent as reparations)
Potassium permanganate	65 tons	(mostly as reparations)
Colloidal graphite	4 tons	
Magnesium oxide	5 tons	
Sodium chlorate	30 tons	
Phosphorus	(The new furnace started operation. The monthly production will be 100 tons from 1 February 1948)	
Phosphor trichloride	(New production will start in March 1948)	
Phosphor oxide chloride	(several tons are in stock)	
Phosphor pentachloride	(New production will start in March 1948)	
Potash	300 tons	(only for reparations)
Nitrate of ammonium	200 tons	N
Calcium nitrate of ammonium	2,000 tons	N (corresponds to 50 percent of capacity)
Formic acid	?	
Benzol chloride	?	

Benzol acid	6 tons	
Benzotrichloride, pure	15 tons	
Benzotrichloride, crude	20 tons	
Benzyl chloride (only for Wolfen Farben Plant)		
'Bruehpaste' (Boiling paste?) (made of 'cystin')	75 tons monthly (sales price is above 4 million R marks)	
Benzol chloride (chlorine benzol)	150 tons	
Chloral	15 tons	
Carbon tetrachloride	50 tons	
'Gesarol'	16 tons	
Oxalic acid	150 tons	(mostly for reparations)
Tricresyl phosphate	135 tons	(only for plant requirements)
Triphenyl phosphate	15 tons	
Igelit PC	25 tons	
Igelit finished products, for example	100,000 aprons	
Highly purified aluminum (Three-shift electrolytic bath)	85 tons	(two kinds of purity)
Highly purified calcium	35 tons	(the quality obtained by distillation of the Cu-Ca alloy does not satisfy the buyerws An N-content below 0.01 is demanded. This specification cannot be fulfilled).
Cerium flints)	?	
Synthetic gem production	(12 burners started operation in December) Annual schedule is 2 tons-ruby and white sapphire)	
Manganese metal (no mill exists)	3- ton-stocks	
Molybdenum metal	1.5 tons	

Considering the proceeds from sales, the 1947 production of the Bitterfeld plant reached about 50 percent of the 1938 production volume, while expenses (results of dismantlings) did not change.

e. Part of the plant was dismantled in 1945. The power plant suffered most from dismantling. The Thalheim (= 52/E 14) Power Station built during the war was completely dismantled and all turbines were removed from the old large power plant in Bitterfeld- South.